

# Marketing Wind Power

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## Overview

- Background
- Project description
- Time Line
- Marketing Status
- Lessons Learned

## Who Are We?

- \$170 million in electric revenues
- 2,851,000 mWh

## Who Are Our Customers?

- Electric customers
  - 105,000 residential
  - 10,000 businesses
- Natural gas customers
  - 96,000 residential
  - 8,000 businesses

## Who Are Our Customers?

- Vibrant community
- Low unemployment
- Highly educated
- High renter population

## Electricity Basics

- Residential cost: 7.5 cents per kWh
- New capacity required and mandated
- Renewable mandate: 50 MW statewide
  - MGE's share is 3 MW

## Project Description

- MGE builds, owns, operates its wind farm
- 17 Vestas 660 kW turbines
- Kewaunee County
- Land leases with 7 farmers
- Annual output: 25 million kWh
- Price premium: 4.17 to 6.25 cents per kWh
- Selling in blocks priced at \$5 each

## Time Line - Physical Project

- 10/97: Announce wind farm plans
- 4/98: Host community open houses
- 5/98: File CA to build project
- 9/98: Public information meetings in Kewaunee County
- 10/98: PSCW approves project
- 12/98: Local approvals given
- 1/99: Construction begins

## Pricing Structure

- Residential:
  - \$5 blocks of 80 to 120 kWh each
  - 100% option
- Business:
  - Wind Power Leaders: custom purchase
  - Wind Power Supporters: \$15 minimum

## Time Line - Marketing

- 10/97: Meet w/ local environmental groups
- 11/97: Conduct first focus groups
- 4/98: Begin informational campaign
- 7/98: Focus groups testing mailing pieces
- 2/99: Residential marketing begins
- 4/99: Begin marketing to businesses

## Residential Marketing

- Targeted Direct Mail
  - 22,000 letters, twice
  - 3,000 random group, twice
  - 4,000 shareholders who are electric customers
  - Planned: 1 mailing to remainder
- Bill Inserts - 3 rounds

## Residential Marketing

- Weekly newspaper ads
- Wind forums
- Environmental groups mailings
- Presence at local events

## Residential Marketing - Results

- Sign-up rates (cumulative, as of 5/5/99)
  - Targeted direct mail: 5.6%
  - Random direct mail: 4.8%
  - Shareholder direct mail: 7.6%
  - Bill inserts: 1.2%
  - Overall sign-up rate: 2.5%
  - Projection: 5.0%
- Average commitment: \$8/month

## Business Marketing

- Charter membership drive:
  - Direct mail
  - Newspaper ads
  - Customer meetings

## Business Marketing - Results

- 20 interested customers
- Stay tuned

## Lessons Learned

- Internal commitment
- Sales training
- Set goals
- Community collaboration
- Educate, educate, educate
- Maintain momentum